

Ordinance Summary

The Goods and Services Tax (Compensation to States) Amendment Ordinance, 2017

- The Goods and Services Tax (Compensation to States) Amendment Ordinance, 2017 was promulgated on September 2, 2017. It amends the Goods and Services Tax (Compensation to States) Act, 2017. The Act allows the central government to notify the rate of the Goods and Services Tax (GST) Compensation Cess on items such as pan masala, coal, aerated drinks, and tobacco, subject to certain caps. The amount received by levying the GST Compensation Cess is used to compensate states for any loss in revenue following the implementation of GST.
- **Increase in cap on GST Compensation Cess:** The Ordinance amends the 2017 Act to increase the cap on the GST Compensation Cess levied on cars from 15% to 25%.

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